



W. R. Grace & Co.

Investor Presentation Cambridge, MA facility tour

May 2015

GRACE
Talent | Technology | Trust

Disclaimer

Statement Regarding Safe Harbor For Forward-Looking Statements

This presentation contains forward-looking statements, that is, information related to future, not past, events. Such statements generally include the words “believes,” “plans,” “intends,” “targets,” “will,” “expects,” “suggests,” “anticipates,” “outlook,” “continues” or similar expressions. Forward-looking statements include, without limitation, expected financial positions; results of operations; cash flows; financing plans; business strategy; operating plans; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost reduction initiatives, plans and objectives; and markets for securities. For these statements, Grace claims the protection of the safe harbor for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act. Like other businesses, Grace is subject to risks and uncertainties that could cause its actual results to differ materially from its projections or that could cause other forward-looking statements to prove incorrect. Factors that could cause actual results to materially differ from those contained in the forward-looking statements include, without limitation: risks related to foreign operations, especially in emerging regions; the cost and availability of raw materials and energy; the effectiveness of its research and development and growth investments; acquisitions and divestitures of assets and gains and losses from dispositions; developments affecting Grace’s outstanding indebtedness; developments affecting Grace’s funded and unfunded pension obligations; its legal and environmental proceedings; uncertainties that may delay or negatively impact the spin-off or cause the spin-off to not occur at all; uncertainties related to the company’s ability to realize the anticipated benefits of the spin-off; the inability to establish or maintain certain business relationships and relationships with customers and suppliers or the inability to retain key personnel following the spin-off; costs of compliance with environmental regulation; and those additional factors set forth in Grace’s most recent Annual Report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K, which have been filed with the Securities and Exchange Commission and are readily available on the Internet at www.sec.gov. Reported results should not be considered as an indication of future performance. Readers are cautioned not to place undue reliance on Grace’s projections and forward-looking statements, which speak only as the date thereof. Grace undertakes no obligation to publicly release any revision to the projections and forward-looking statements contained in this announcement, or to update them to reflect events or circumstances occurring after the date of this announcement.

Non-GAAP Financial Terms

These slides contain certain “non-GAAP financial terms” which are defined in the Appendix.

Reconciliations of non-GAAP terms to the closest GAAP term (i.e., net income) are provided in the Appendix.

Agenda

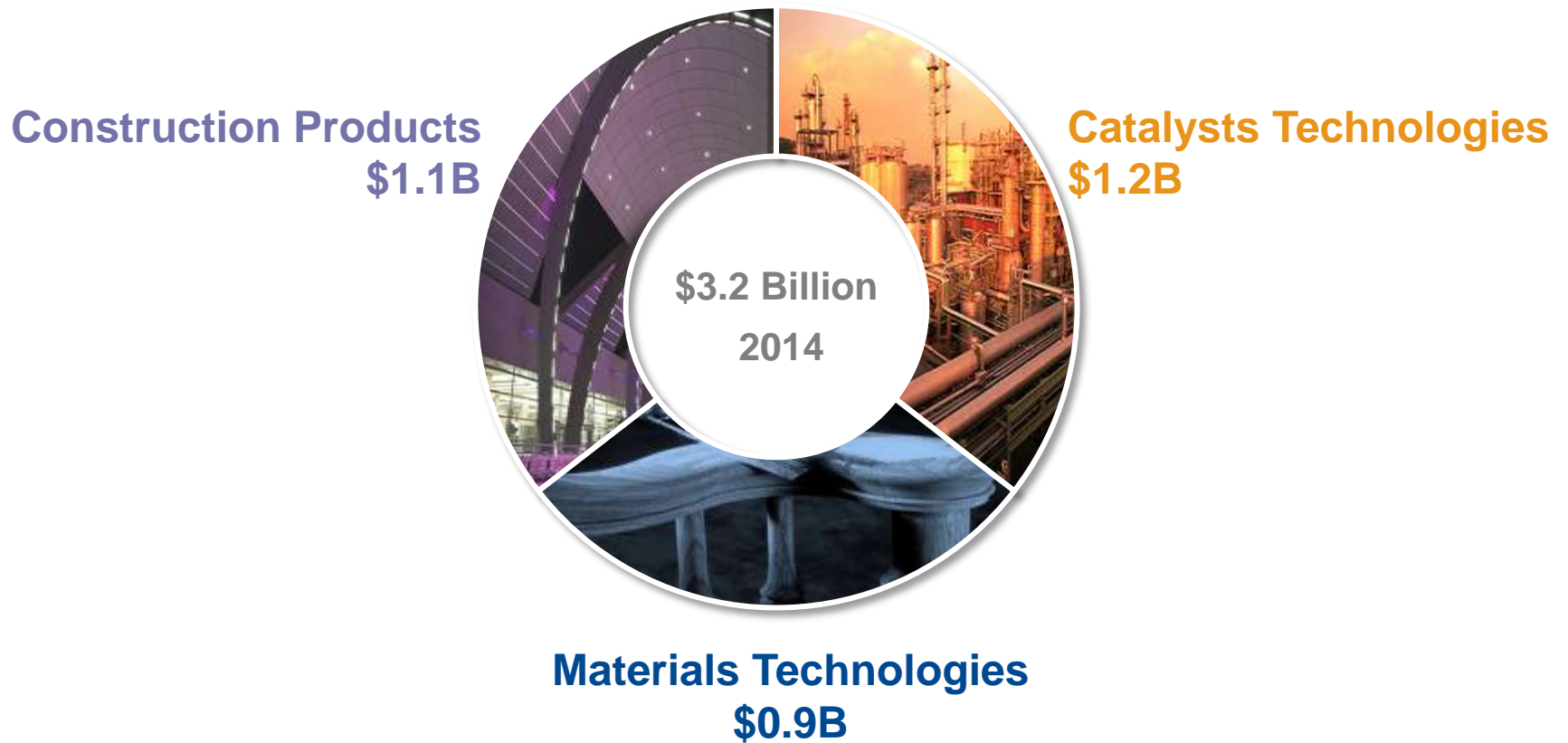
Time	Topics
9:45	Construction Products Overview Specialty Building Materials Specialty Construction Chemicals Darex Packaging <i>Break</i>
11:00	SCC and SBM Laboratory Tours
12:30	Lunch (or grab box lunch to go)
1:00	Depart Grace

Built on talent, technology, and trust, Grace high-performance specialty chemicals and materials improve the products and processes of our customer partners around the world.

- Founded in 1854 – 160 years of innovation
- 2014 sales of \$3.2 billion
- True specialty chemicals business, with high value, high margin product portfolio
- Strong franchises in large, global markets
- Operations in over 40 countries
- Leading positions in approximately 70% of the segments where we compete



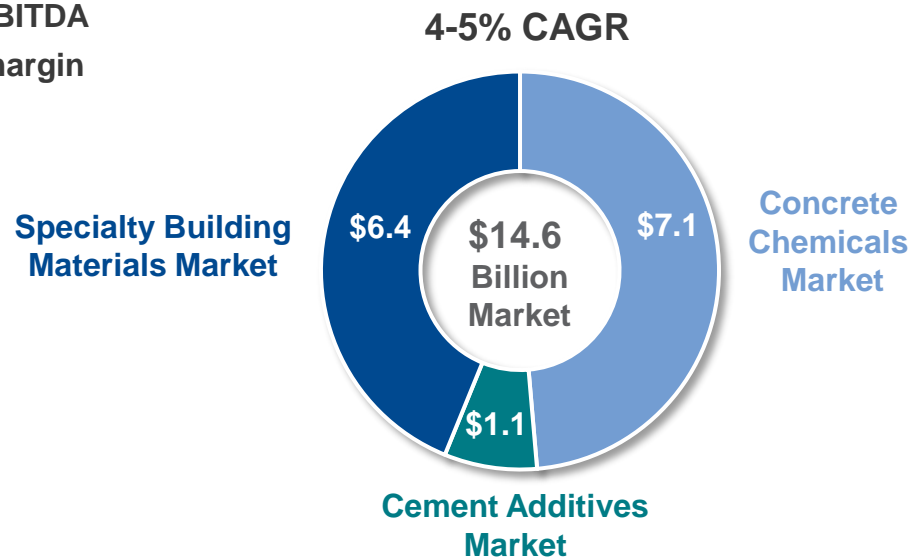
Today: three business segments with global functional organization



Construction Products

2014 Financial Highlights

- \$1.1 billion sales
- 36.3% Gross margin
- \$193.4 million Adjusted EBITDA
- 17.5% Adjusted EBITDA margin



Construction Products

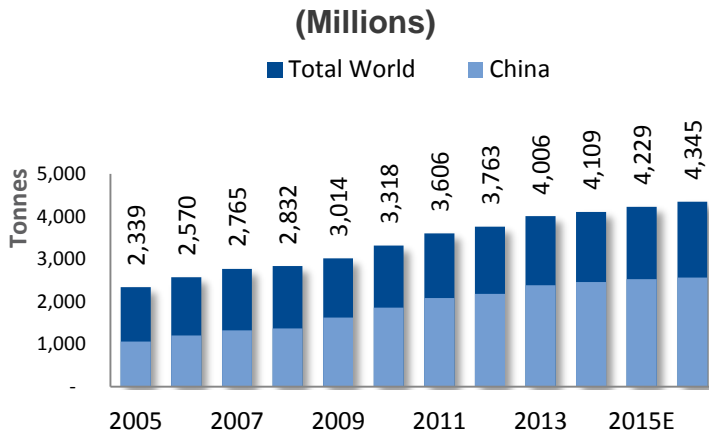
Industry Drivers

- Mature market recovery
- Urbanization of emerging markets
- Increasing sophistication of building practices

Long Term Outlook

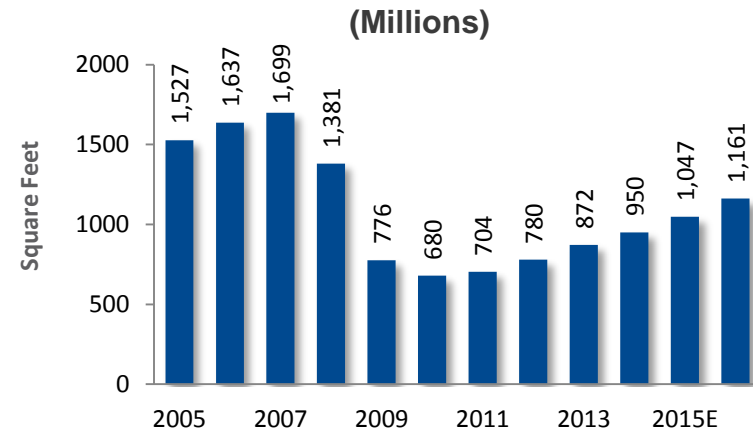
- Leverage existing footprint as global market recovery takes hold
- Invest in emerging markets
- Drive global technology transfer from mature to emerging markets
- Develop new products and services to further differentiate Grace in the marketplace

Global Cement Consumption



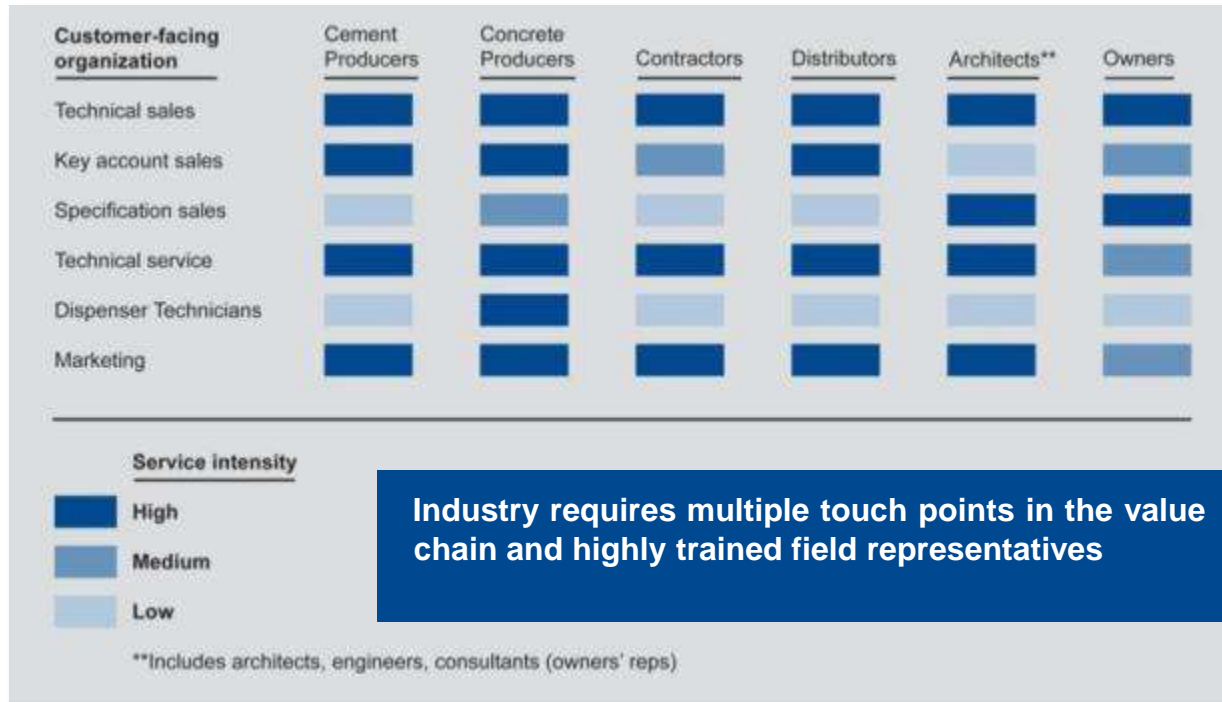
Source: CW Research, GCVFR, 1H 2015 (2009-2016), The Global Cement Report, 10th ed, Tradeship Publications Ltd (2005-2008)

US Commercial Building Starts



Source: Dodge Data & Analytics, CMFS Q1 2015 report

Business Dynamics



Strengths

- Balanced exposure across commercial, infrastructure, and residential
- Long-term customer relationships
 - Deep understanding of our customers' businesses
 - Preferred-supplier status built on deep product application knowledge

Competitors

- BASF
- SIKA
- Carlisle
- Mapei
- RPM
- Henry

Business Position

- Leader in multiple high-value product segments and geographies
- #1 in cement additives
- #2 in concrete admixtures
- #1 in pre-applied waterproofing

Infrastructure Applications

Cement Additives

Grinding aids and quality improvers

Concrete Admixtures

Corrosion inhibitors, superplasticizers, self-consolidating concrete, set accelerators, shrinkage reducers, structural fibers, water reducers

Bridge Deck

Waterproofing Systems



Products that strengthen, protect and enhance structures

Residential Applications

Cement Additives

Grinding aids and quality improvers

Concrete Admixtures

Self-consolidating concrete, set accelerators, shrinkage reducers, structural fibers, water reducers

Decorative Concrete

Color pigments and surface retarders

Foundation Waterproofing

Spray-applied and sheet-applied

Window and Door Flashings

Roofing Membranes

Roof detail membranes, roofing underlayments



Products that strengthen, protect and enhance structures

Commercial Applications

Cement Additives

Grinding aids and quality improvers

Concrete Admixtures

Superplasticizers, self-consolidating concrete, set accelerators, shrinkage reducers, structural fibers, water reducers

Decorative Concrete

Color pigments and surface retarders

Foundation Waterproofing

Pre-applied blindside sheet waterproofing, post-applied sheet and spray-applied membranes

Fireproofing

Wall and Window Flashing Membranes

Spray-Applied Wall Membranes and Vapor Barriers



Products that strengthen, protect and enhance structures



Specialty Building Materials

Core Brands – Building Envelope

Waterproofing

- Global leader in the advancement of waterproofing technologies
 - **Preprufe®** – Leading below-grade solution with a full line of accessory products. Pioneer of the fully bonded preapplied waterproofing technology
 - **Silcor®** – Liquid applied deck waterproofing
 - **Bituthene®** – Original rubberized asphalt self adhesive membrane
 - **Adcor® & Bentorub®** – Hydrophilic waterstops for joint protection

Air Barriers

- Specified barriers to manage movement of air, water & vapor through the building envelope to improve energy use and indoor air quality
 - **Perm-A-Barrier®** – full line of vapor permeable and impermeable sheet and liquid applied products

Residential

- North America focused business providing *Weather Protection Systems* in specific channels to improve the durability of wood constructed homes
 - **Grace Ice & Water Shield®** – category leading self adhesive underlayment for sloped roofs
 - **Vycor®** – flashing and sheet membranes to protect & manage moisture in the wall



GRACE

Below-grade Waterproofing

Preprufe®: The Premier Pre-Applied Waterproofing System

- Improved leak prevention through unique adhesive bond
- Specified on major projects throughout the world
- Drives full portfolio system selling
- Preprufe Plus increases quality and contractor productivity
- Patented technology

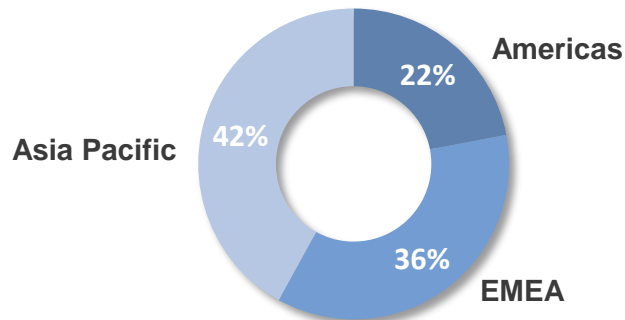


Museum of Islamic Arts
(Doha, Qatar)



The Morocco Mall
(Casablanca, Morocco)

Below-grade Waterproofing Market



Preprufe PLUS Video

<https://grace.com/construction/en-us/Pages/preprufe-videos.aspx>

Specialty Businesses

De Neef®

Resin injections for leak sealing and ground stabilization



- Polyurethane resins for crack injections
- Ground stabilization & curtain grouting with PU, Acrylate, Organomineral and Silica/ Silicate based products

Pieri®

Decorative treatments for concrete



- High technology surface retarders, release agents, pigments and form liners
- Thin toppings for interior applications with **Solacir®**

Betec®

High-quality engineered cementitious grouts and mortars



- Specializing in flowable high-strength grouts for industrial and infrastructure applications
- Growth in new segments for wind turbine construction and specialty niche grouting applications

Fire Protection

Spray applied fire protection for structural steel

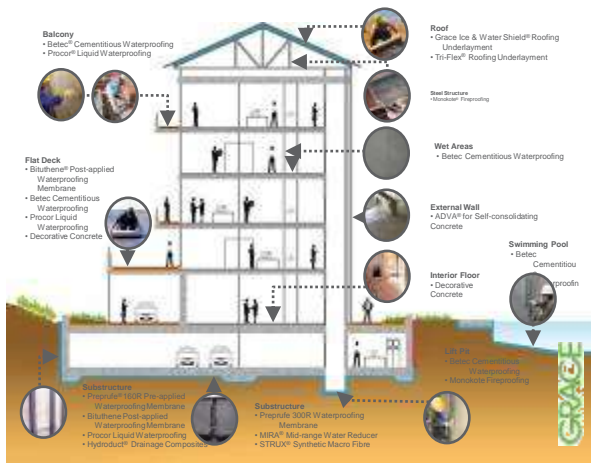


- **Monokote®** - the world's most widely specified spray applied cementitious fireproofing
- Growing in new specialty applications for petrochemical and tunnels

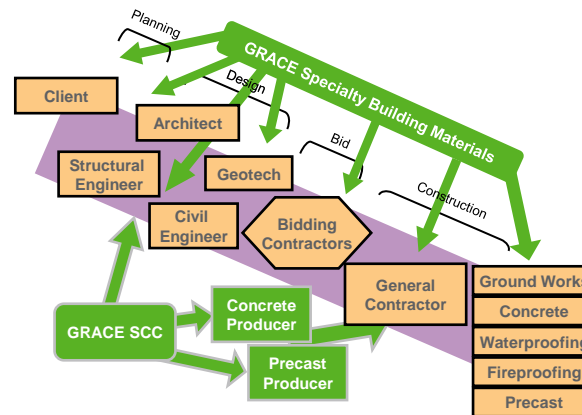
Grace Project Selling Principles

Technology Platforms

The Grace Building Envelope



Project Selling Competency



International Dimension

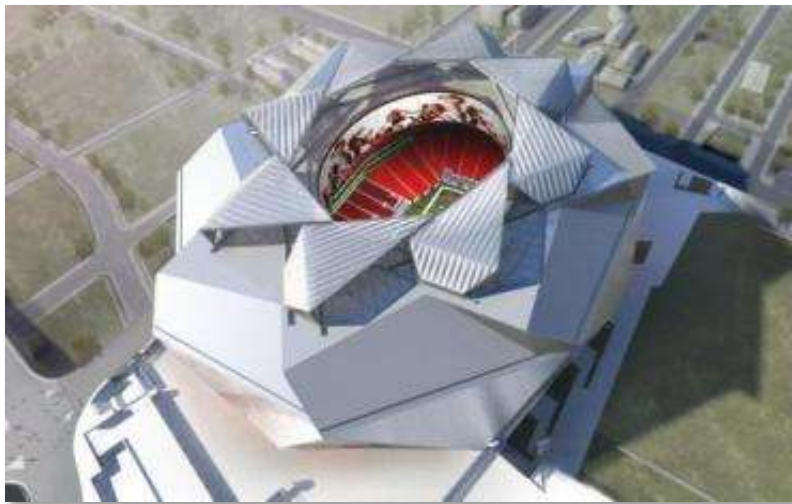


Value Drivers

- Technical expertise
- Understanding of local codes & construction practice
- Technology solutions
- System approach
- Custom specifications and drawings
- Develop market/project intelligence throughout design & construction
- Executive selling to influencers and decision makers – Key accounts
- Project Tracking – CRM
- Consistent linkage throughout value chain
- More projects driven internationally
- Globalisation, customer consolidation – local partners
- Leverage brand awareness
- Drive geographic expansion



Specialty Construction Chemicals



Specialty Construction Chemicals (SCC) – Overview

Chemicals to Improve the Performance of Cement-Based Materials

2014 Business Profile

- Two core product lines: **Concrete Admixtures** and **Cement Additives**
- Major technology platforms: **concrete water reducers** (water soluble polymers) and **cement quality improvers** (higher amines)
- **Global** customers and markets
- **#1 globally** in **cement additives**
- **#2 globally** in **concrete admixtures**

SCC Global Strategy

- **Market-driven** development of **innovative technologies**
- **Rapid deployment** of new products globally
- **Market expansion** as regions adopt modern cement production facilities and ready mix concrete
- **Continuous optimization** of supply chain costs



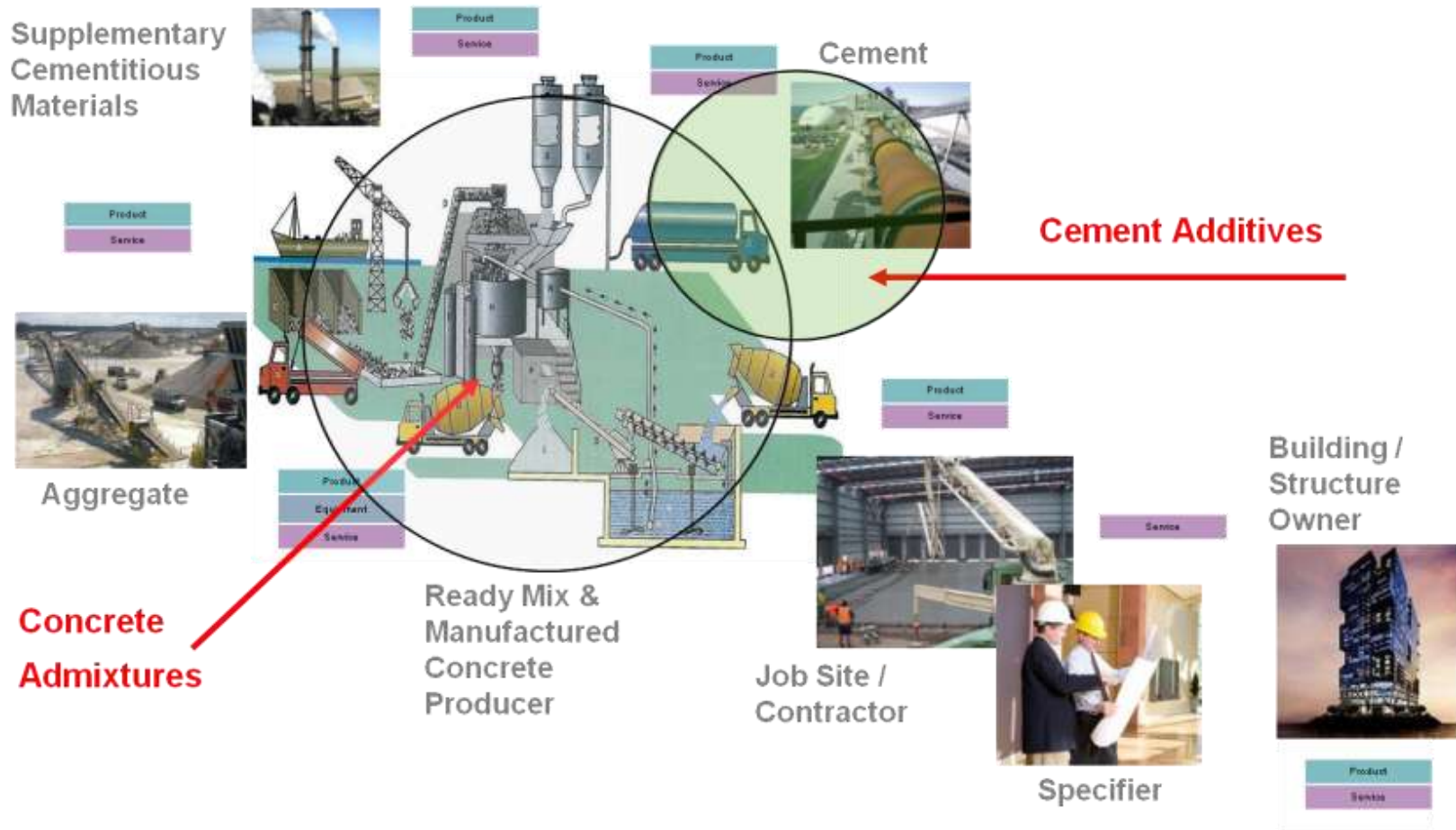
Why does concrete crack?



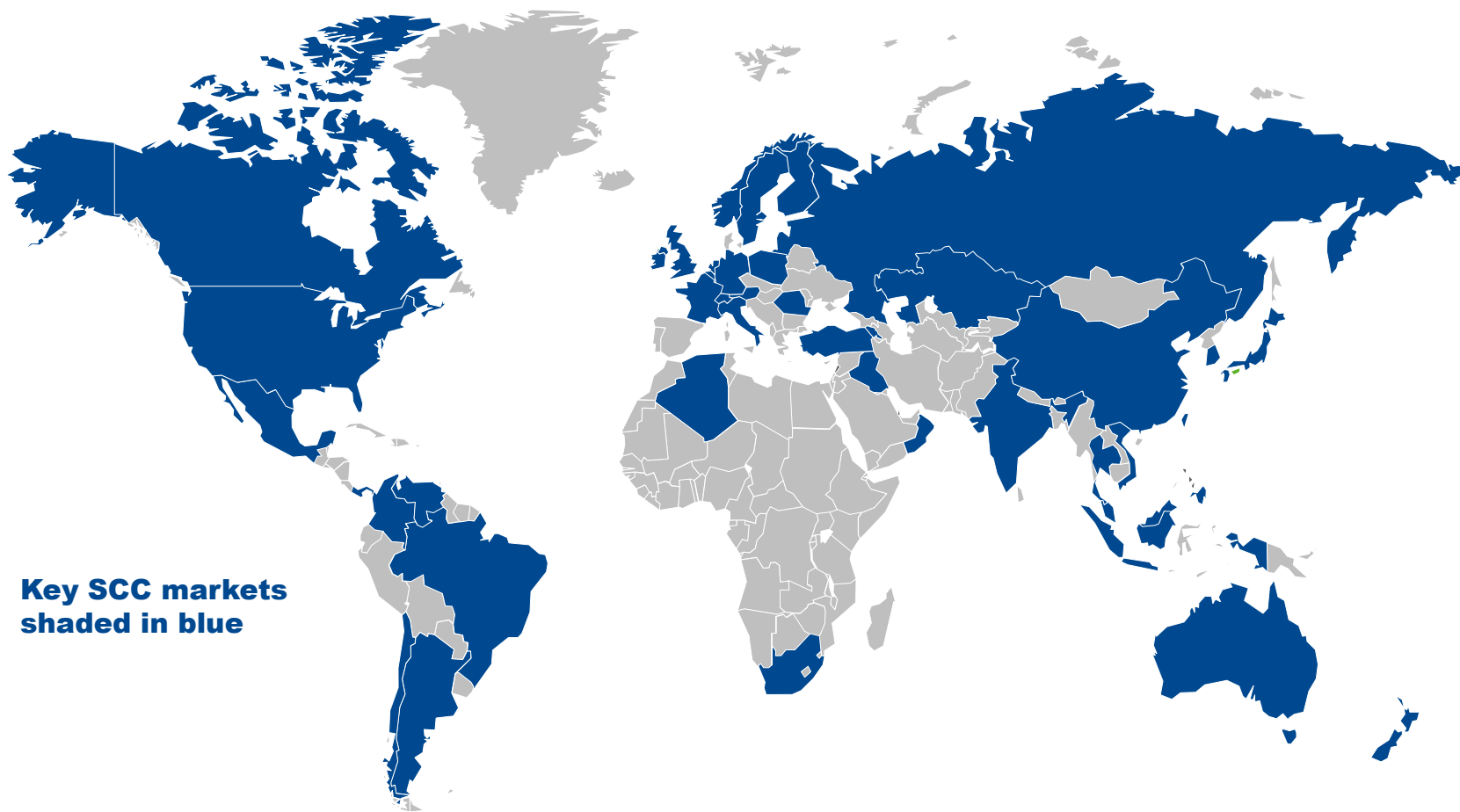
Chemical additives make cement-based materials easier and cheaper to install, more durable, with less impact on the environment

Concrete Construction Value Chain

We create value throughout the concrete construction ecosystem, but focus primarily on value creation with cement manufacturers and concrete producers

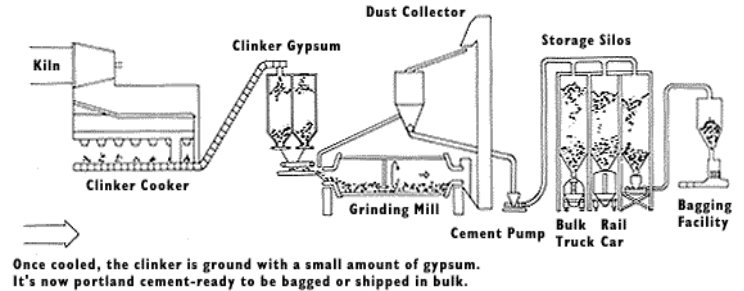


Specialty Construction Chemicals: Global Footprint



A strong sales, manufacturing, and technical presence in key global markets

Cement Additives



- Customers:
Multinational cement companies
- Users: Cement Plants
- Typical output: 1 million tons/yr
- Approx 100 plants in the US
- Grace products:
 - Grinding Aids
 - Quality Improvers

Grace has been a leader in the cement additives technology for 80 years

Concrete Admixtures



Customers: Multinational building materials companies, local concrete producers

Users: ready-mix concrete plants

Typical Output: 50,000 yd³/yr

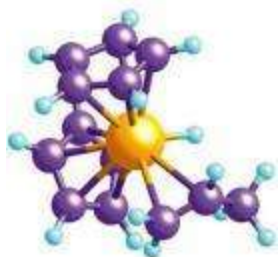
Cement consumption: 15,000 tons/yr

- Approx 70 ready mix plants for each cement plant

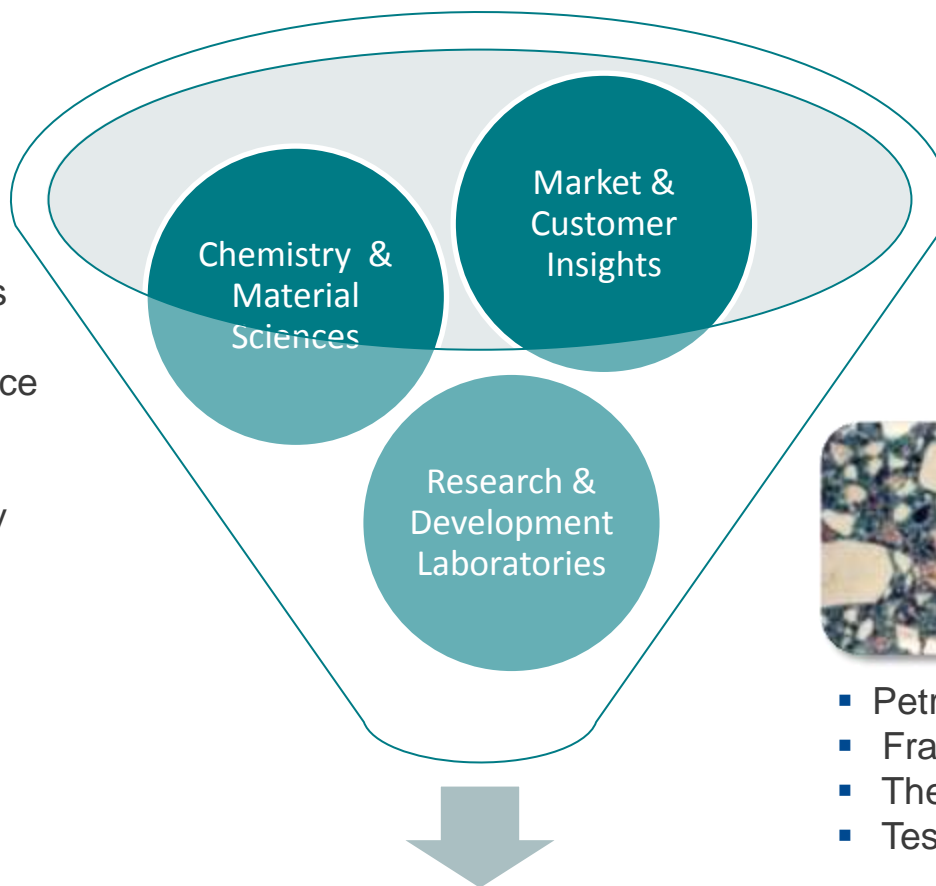
Products:

- Water-reducers
- Admixtures for Self Compacting Concrete
- Air Entraining Agents
- Set Accelerators and Retarders
- Corrosion Inhibitors
- Shrinkage Reducing Agents
- Structural Fibers

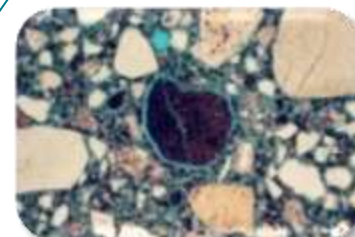
Translating leading science into high-value solutions



- Polymer Synthesis
- Nanoscience
- Formulation Science
- Fiber Engineering
- Rheology Control
- Cement Chemistry
- Civil Engineering



- Market Knowledge
- Needs Assessment
- Design Specifications



- Petrography
- Fracture Mechanics
- Thermal Analysis
- Testing



New products in test market phase



Verifi®



ADVA® 198



MIRA® 90



ADVA® Cast 585

Extending leadership to underground construction

Full shotcrete system offering with strong differentiated products...

...being validated in test market and existing markets

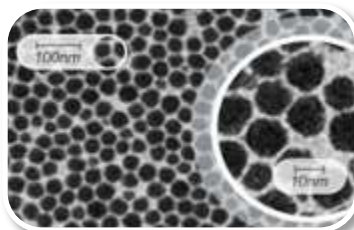
TYTRO®
Shotcrete System



STRUX® BT50



TYTRO® SA



TYTRO® RC



- Offering launched into the test area
- Added field technical resource
- Leveraging existing commercial team

Key Advances in Cement Additives

CBA®

Quality
improvers
developed and
patented

ESE®

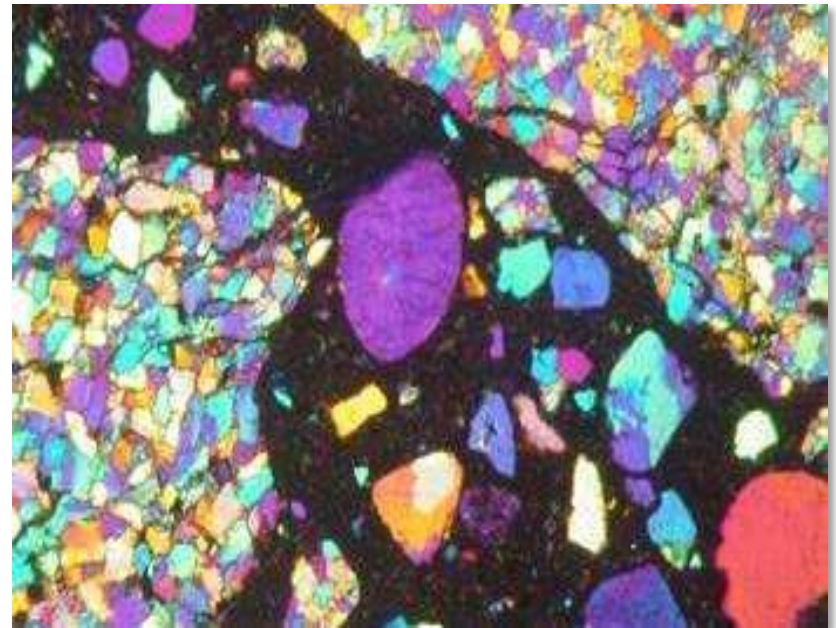
Non-chloride
early strength
enhancers
introduced

Synchro®

Liquid additive
for chromium
reduction in
cement

Glyzana®

Cost-efficient
grinding aid
based on
renewable source



Why We Win – Technology and Capabilities



INNOVATION

- World-class R&D facilities in Cambridge, MA
- Disciplined stage-gate process
- Robust product pipeline
- Joint development relationships



GLOBAL REACH

- Leading position in key markets
- Effective, customer focused organization
- Strong partnerships
- Targeted offerings



SUPPORT

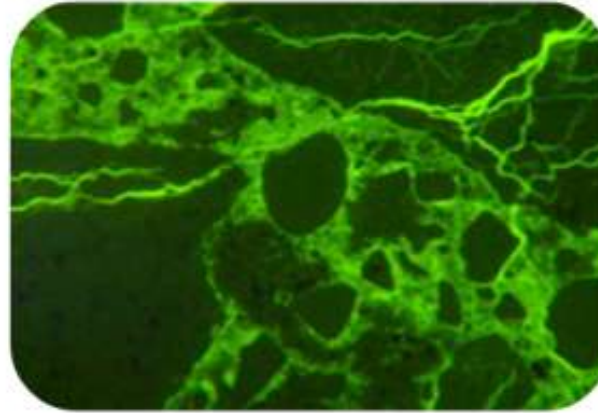
- Regional laboratories and technical service centers close to customer base
- Best-in-class field support

World-class Technical Service Capabilities

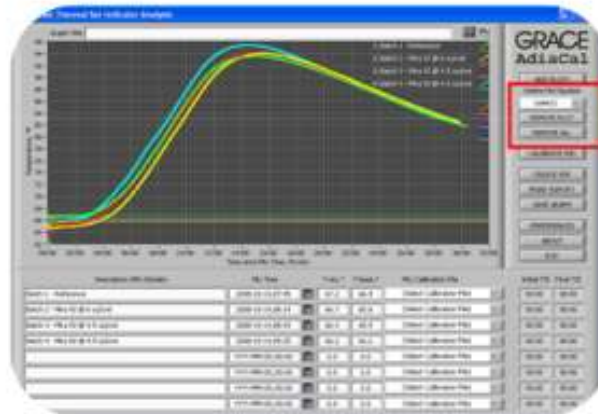
Field

Analytical

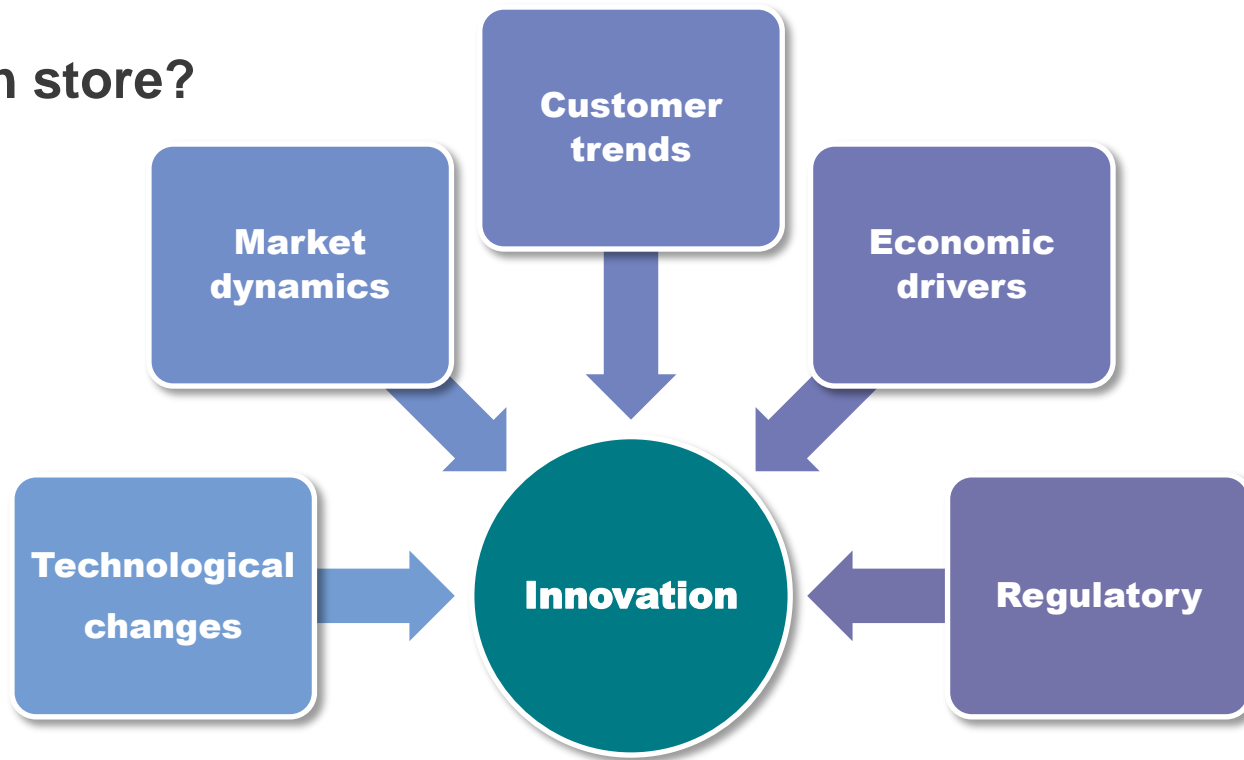
Cement



Concrete



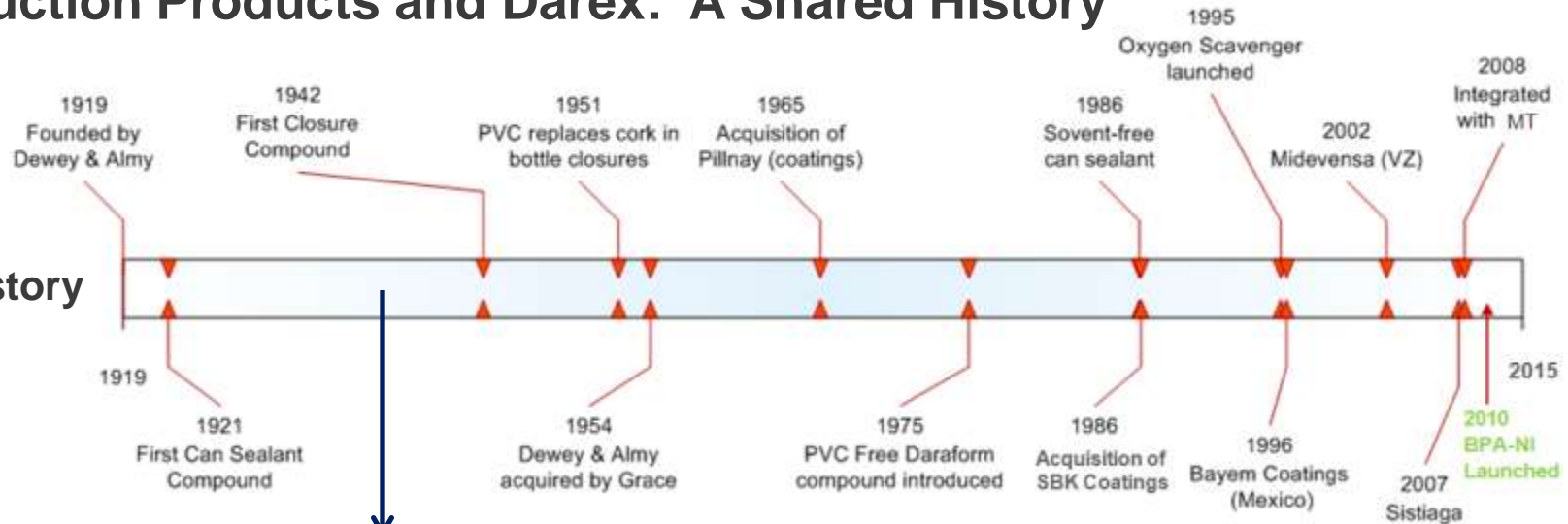
What is in store?



- Our cement and concrete customers will continue to seek **operational savings** and **better quality assurance**
- **Environmental pressures** will create change in materials selection, materials availability, and process technologies
- The drive for **life-cycle costing** and **performance specifications** will place a greater premium on **high-quality durable concrete**
- Breakthroughs in **cement chemistry, materials science, and nanotechnology** will create new opportunities to solve problems

Construction Products and Darex: A Shared History

Darex history



Construction Products history

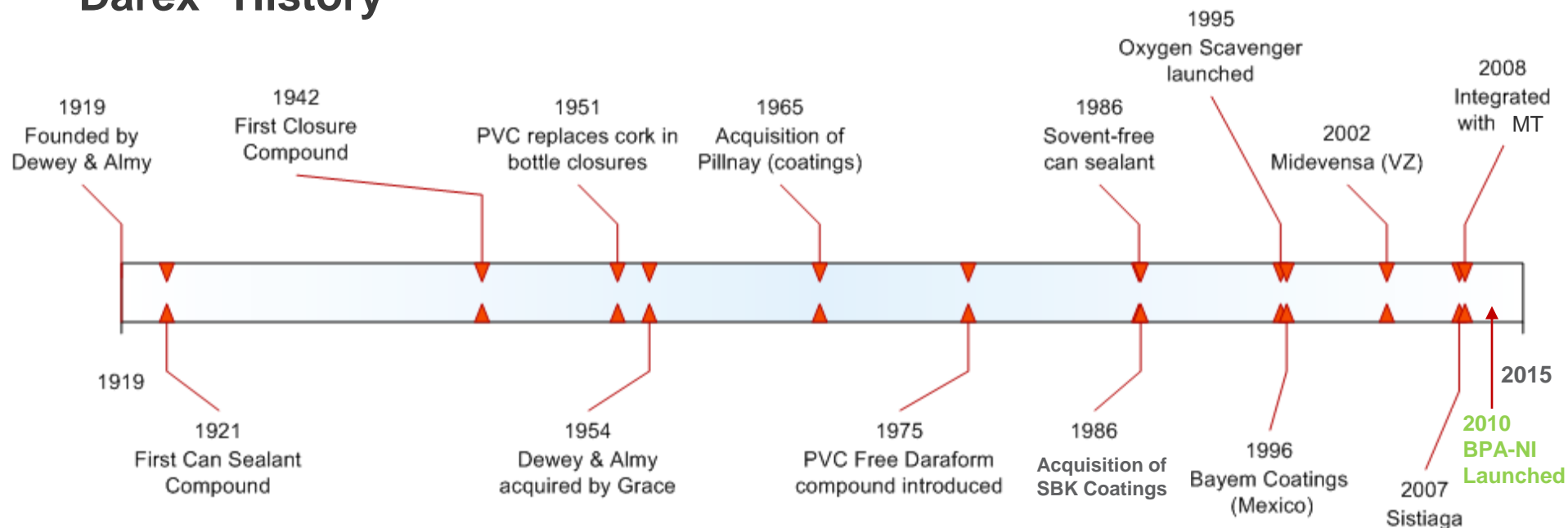


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Darex® Packaging



Darex® History



Darex® invented flowed-in sealant and has grown through acquisitions in packaging

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Darex Business Dynamics



Can Sealants

- **#1 global can sealant supplier**
 - Serves food, beverage, aerosol and general line metal packaging industries
 - Ensures quality in over 300 billion food and beverage cans annually
 - Only supplier with both solvent and water based sealants
 - Developed “flowed-in” gasket technology
 - **Best-in-class products and technical support**
 - Major competitors: Altana (Actega), UBIS, Wakol-Foreco
-



Can Coatings

- Global sales, manufacturing, and technical support footprint
 - Leverages strength across segments for unparalleled regulatory and food law compliance knowledge
 - **Strong technology position in BPA-NI can coatings**
 - Strong technology position in aluminum monobloc coatings through Sistiaga® acquisition
 - Major competitors: Valspar, PPG, Akzo Nobel, Metlac
-

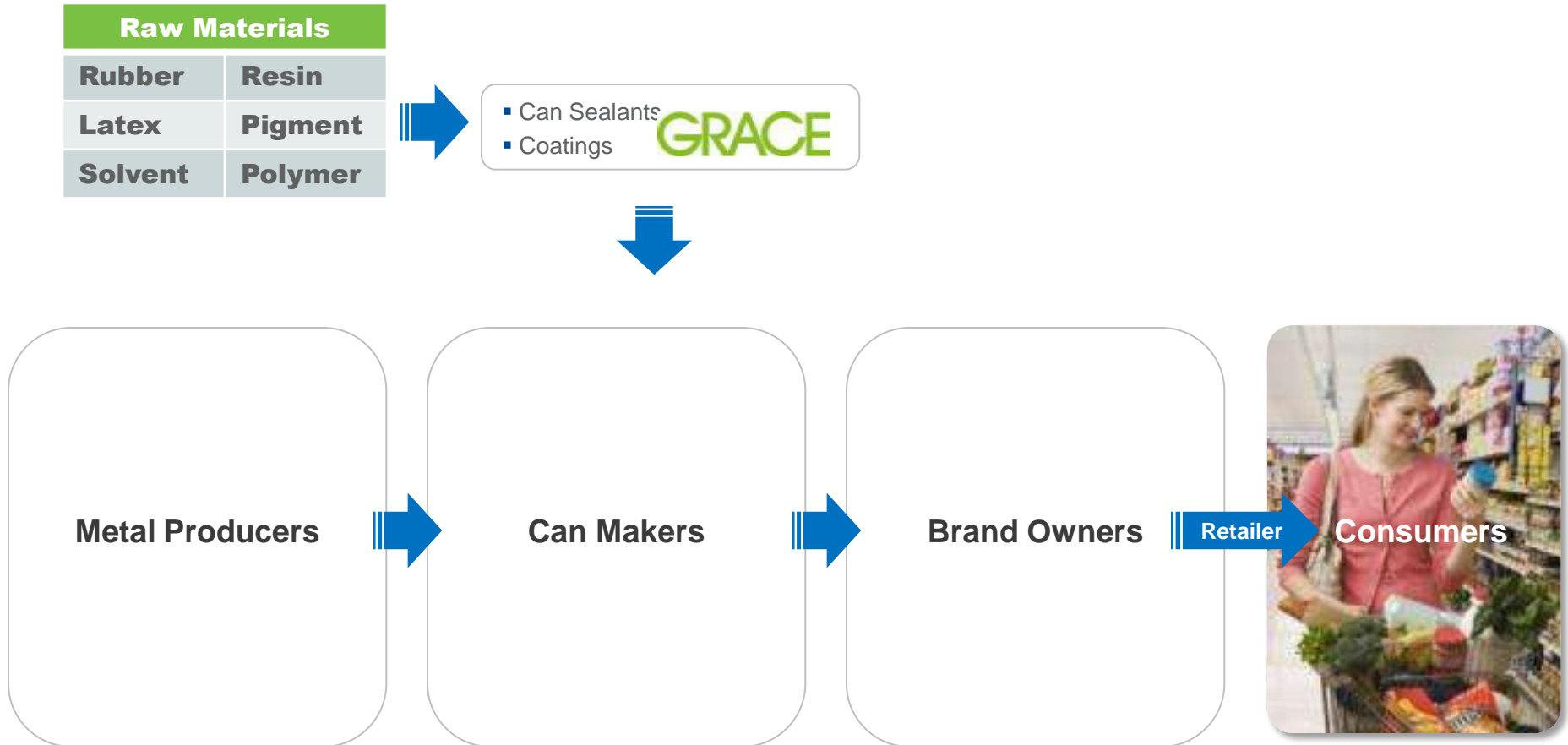


Closure Sealants

- Leader in closure sealants for taste sensitive beverages
 - Crown, aluminum, and plastics applications
 - Provider of PVC and PVC-Free technologies
- Strong technology and market position
 - **Oxygen scavenger sealants for sensitive beverages e.g. Beers / Juices / Nutritional drinks**
 - Scavenger additives and master batch solutions for synthetic corks and 1 piece closures
- Major competitors: Altana (Actega), D-Plast, Self-Manufacturers



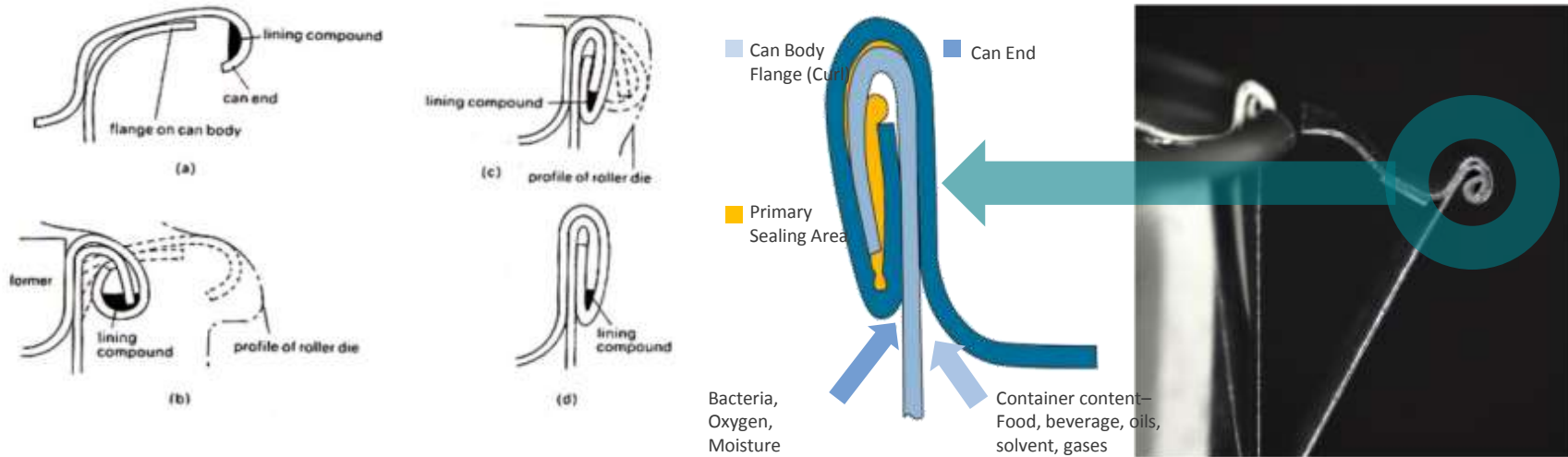
Supply Chain in the Packaging Industry



Sealants and Coatings are a small cost(<5%) of the package, but vital to its performance

Technology Overview – Can Sealants Basics

Provide hermetic seal by filling the void created in double-seam

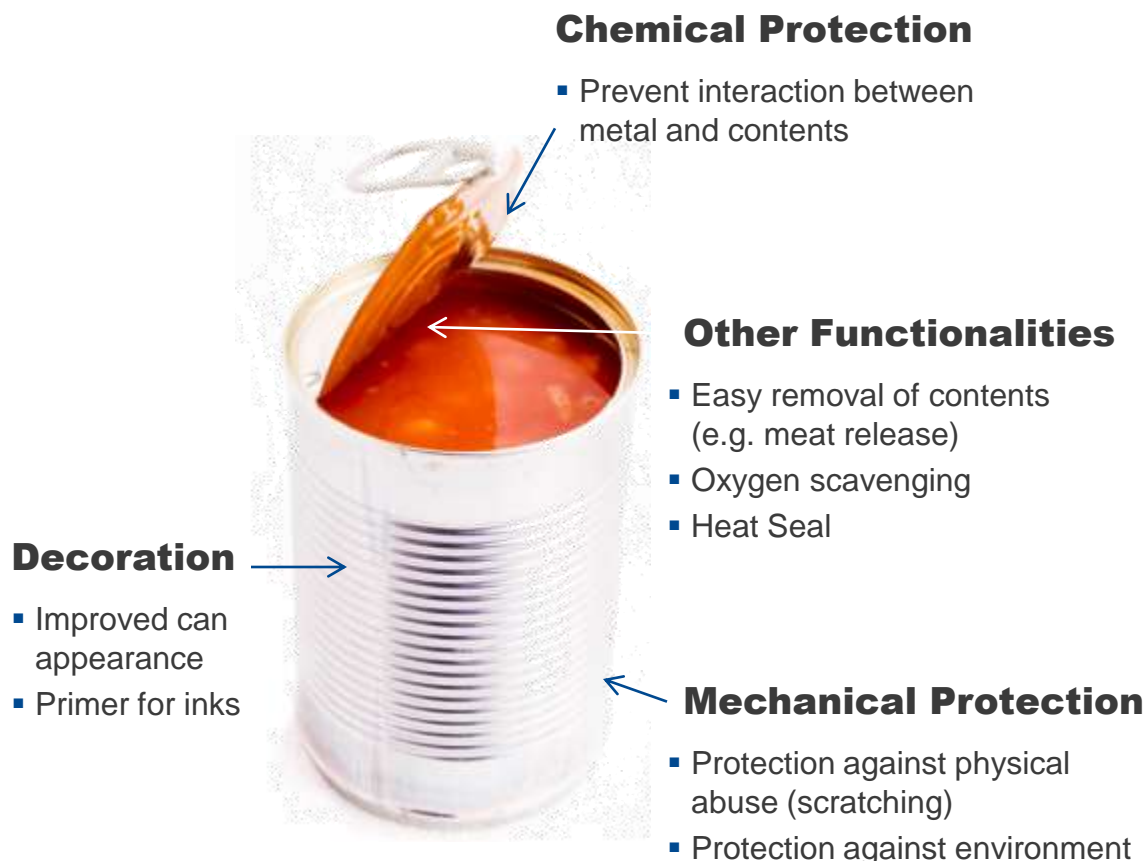


Key Requirements

- Must have sufficient chemical resistance to the pack
- Must have sufficient thermal and mechanical resistance to withstand the retort or processing conditions
- Must not affect the aroma or flavor of the pack contents
- Sealant protects the package during the life of the can
- Where applicable, must be food law compliant

Technology Overview – Can Coatings Basics

Protect contents from the environment, and the pack from the contents



Key Requirements

- Flexible and spread evenly
- Resist physical deformation during fabrication of container
- Must not impart any flavor
- Perform for the whole shelf life of the container
- Comply with global food laws

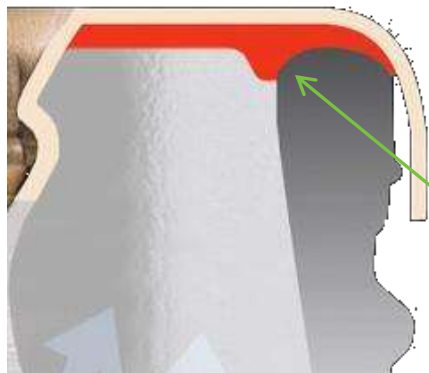


Most metal containers and lids must be coated, internally and externally

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Technology Overview – Closure Sealants Basics

Provide hermetic seal, filling natural voids between container and closure



Provides pressure seal

- Prevents oxygen, bacteria from coming in

Fills voids

- Contents stay in the package

Key Requirements

- Must not impart any flavor
- Have low chemical migration
- Be lineable at very high speeds
- Adhere to the metal/plastic
- Perform for the shelflife of container
- Be food compliant



Closure Type	Plastic Cap	Metal Crown	Lug Cap	Roll-on Pilfer Proof (ROPP)	One piece Plastic Cap
Major End Use	Carbonated Soft Drink (CSD), Water	Carbonated Soft Drink (CSD), Beer	Glass Food Jars	Water (Germany), Spirits, Wine	PET Food Jars
Darex Sales	Sealant	Sealant and Coating	Sealant and Coating	Sealant and Coating	OST Masterbatch

Brand Owner Pull Key to Closure Sealant Strategy

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For additional information, please visit www.grace.com or contact:

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Appendix: Definitions and Reconciliations of Non-GAAP Measures

Non-GAAP Financial Terms

Adjusted EBIT means net income adjusted for interest income and expense, income taxes, costs related to Chapter 11, asbestos-related costs, restructuring expenses and related asset impairments, pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits, certain income and expense items related to divested businesses, product lines, and certain other investments and gains and losses on sales of businesses, product lines, and certain other investments. In the 2013 first quarter, we also adjusted for the currency transaction loss incurred on our Venezuelan cash balances of \$6.9 million.

Adjusted EBITDA means Adjusted EBIT adjusted for depreciation and amortization.

Adjusted Free Cash Flow means net cash provided by or used for operating activities minus capital expenditures plus the net cash flow from costs related to Chapter 11, cash paid to resolve contingencies subject to Chapter 11, accelerated payments under defined benefit pension arrangements, and expenditures for asbestos-related items. Grace uses Adjusted Free Cash Flow as a liquidity measure to evaluate its ability to generate cash to support its ongoing business operations, to invest in its businesses, and to provide a return of capital to shareholders.

Adjusted Earnings Per Share (EPS) means Diluted EPS adjusted for costs related to Chapter 11, asbestos-related costs, restructuring expenses and related asset impairments, pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits, certain income and expense items related to divested businesses, product lines, and certain other investments and gains and losses on sales of businesses, product lines, and certain other investments, and certain discrete tax items.

Adjusted EBIT Return On Invested Capital means Adjusted EBIT (on a trailing four quarters basis) divided by the sum of net working capital, properties and equipment and certain other assets and liabilities.

Segment Gross Margin means gross margin adjusted for pension-related costs included in cost of goods sold.

We use Adjusted EBIT as a performance measure in significant business decisions and in determining certain incentive compensation. We use Adjusted EBIT as a performance measure because it provides improved period-to-period comparability for decision making and compensation purposes, and because it better measures the ongoing earnings results of our strategic and operating decisions by excluding the earnings effects of our Chapter 11 proceedings, asbestos liabilities, restructuring activities, and divested businesses.

Adjusted EBIT, Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted EPS, and Adjusted EBIT Return On Invested Capital do not purport to represent income measures as defined under U.S. GAAP, and should not be used as alternatives to such measures as an indicator of our performance. These measures are provided to investors and others to improve the period-to-period comparability and peer-to-peer comparability of our financial results, and to ensure that investors understand the information we use to evaluate the performance of our businesses. We have provided in the following tables a reconciliation of these non-GAAP measures to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

Adjusted EBIT has material limitations as an operating performance measure because it excludes Chapter 11- and asbestos-related costs and may exclude income and expenses from restructuring activities and divested businesses, which historically have been material components of our net income. Adjusted EBITDA also has material limitations as an operating performance measure because it excludes the impact of depreciation and amortization expense. Our business is substantially dependent on the successful deployment of capital, and depreciation and amortization expense is a necessary element of our costs. We compensate for the limitations of these measurements by using these indicators together with net income as measured under U.S. GAAP to present a complete analysis of our results of operations. Adjusted EBIT and Adjusted EBITDA should be evaluated together with net income measured under U.S. GAAP for a complete understanding of our results of operations.

Appendix: Reconciliations of Non-GAAP Financial Measures

(continued)

	2012	2013	2014	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Adjusted EBIT	558.2	550.8	626.2	116.8	153.3	142.1	138.6	111.3	166.1	180.9	167.9
Costs related to Chapter 11	(15.6)	(16.4)	(11.3)	(3.8)	(3.3)	(3.9)	(5.4)	(6.3)	(3.0)	(1.8)	(0.2)
Asbestos-related costs	(5.0)	(7.8)	(7.9)	(1.4)	(1.3)	(1.3)	(3.8)	(0.4)	(0.9)	(2.5)	(4.1)
Asbestos and bankruptcy-related charges, net	(384.6)	(21.9)	(7.1)	—	—	—	(21.9)	(8.8)	2.4	(0.4)	(0.3)
Default interest settlement	—	(129.0)	—	—	—	—	(129.0)	—	—	—	—
Pension MTM adjustment and other related costs, net	(119.2)	50.6	(128.3)	(2.5)	—	—	53.1	4.8	—	—	(133.1)
Gain on termination of postretirement plans related to divested businesses	—	—	15.9	—	—	—	—	—	3.2	9.5	3.2
Restructuring expenses and asset impairments	(6.9)	(12.5)	(22.4)	(0.8)	(4.3)	(3.6)	(3.8)	(0.7)	(11.7)	(5.4)	(4.6)
Gain (loss) on sale of product line	(0.2)	(1.0)	0.2	—	—	—	(1.0)	—	0.2	—	—
Income and expense items related to divested businesses	(2.8)	(4.1)	(5.2)	(0.7)	(0.8)	(2.2)	(0.4)	(1.1)	(3.6)	(2.1)	1.6
Interest expense and related financing costs	(46.5)	(43.8)	(61.5)	(10.5)	(10.9)	(10.7)	(11.7)	(11.2)	(11.1)	(14.7)	(24.5)
Interest accretion on deferred payment obligations	—	—	(65.7)	—	—	—	—	(8.2)	(13.6)	(43.7)	(0.2)
Currency and other financial losses in Venezuela	—	(6.9)	(1.0)	(6.9)	—	—	—	—	—	(1.0)	—
Interest income	1.0	1.0	1.4	0.2	0.1	0.2	0.5	0.5	0.5	0.3	0.1
Benefit from (provision for) income taxes	61.6	(102.9)	(57.0)	(31.3)	(42.5)	(43.6)	14.5	(29.8)	7.7	(44.6)	9.7
Net income attributable to W. R. Grace & Co. shareholders	40.0	256.1	276.3	59.1	90.3	77.0	29.7	50.1	136.2	74.5	15.5
Costs related to Chapter 11:											
Chapter 11 expenses, net of interest income	16.6	15.3	11.0	4.8	3.3	2.9	4.3	6.1	3.0	1.7	0.2
D&O insurance costs related to Chapter 11	0.3	0.2	0.1	0.1	—	0.1	—	—	0.1	—	—
Translation effects—intercompany loans (D)	(5.6)	(11.9)	4.6	7.4	(3.9)	(10.1)	(5.3)	4.6	—	—	—
Value of currency forward contracts—intercompany loans (D)	3.7	10.9	(4.5)	(7.7)	3.5	9.9	5.2	(4.5)	—	—	—
Certain other currency translation costs, net (D)	0.6	1.9	0.1	(0.8)	0.4	1.1	1.2	0.1	(0.1)	0.1	—
Costs related to Chapter 11	15.6	16.4	11.3	3.8	3.3	3.9	5.4	6.3	3.0	1.8	0.2

Appendix: Reconciliations of Non-GAAP Financial Measures (continued)

Adjusted EBIT by Operating Segment:

	2012	2013	2014	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Catalysts Technologies segment operating income	393.8	327.5	378.3	77.2	93.8	77.4	79.1	71.2	97.5	100.9	108.7
Materials Technologies segment operating income	162.0	181.8	185.2	44.3	44.8	46.8	45.9	45.5	49.7	48.7	41.3
Construction Products segment operating income	125.2	151.7	161.7	22.8	45.3	45.6	38.0	25.4	45.0	48.9	42.4
Corporate costs	(92.4)	(82.8)	(90.6)	(20.8)	(23.7)	(20.9)	(17.4)	(22.5)	(22.8)	(23.8)	(21.5)
Gain on termination of postretirement plans related to current businesses	—	—	23.6	—	—	—	—	—	4.7	14.2	4.7
Certain pension costs(C)	(30.4)	(27.4)	(32.0)	(6.7)	(6.9)	(6.8)	(7.0)	(8.3)	(8.0)	(8.0)	(7.7)
Adjusted EBIT	558.2	550.8	626.2	116.8	153.3	142.1	138.6	111.3	166.1	180.9	167.9

Adjusted Free Cash Flow:

	2012	2013	2014
Net cash (used for) provided by operating activities	453.6	515.9	(1,470.7)
Capital expenditures	(138.5)	(156.2)	(171.2)
Free Cash Flow	315.1	359.7	(1,641.9)
Chapter 11 expenses paid	15.5	15.0	31.6
Chapter 11 emergence payments, including accounts payable	—	—	1,348.7
Cash paid to settle deferred payment obligation	—	—	632.0
Accelerated defined benefit pension plan contributions	83.4	50.0	75.0
Expenditures for asbestos-related items	7.2	5.0	6.8
Adjusted Free Cash Flow	421.2	429.7	452.2

Calculation of Adjusted EBIT Return On Invested Capital (trailing four quarters):

	2012	2013	2014
Adjusted EBIT	558.2	550.8	626.2
Invested Capital:			
Trade accounts receivable	490.4	481.8	476.2
Inventories	283.6	295.3	332.8
Accounts payable	(252.0)	(262.5)	(255.3)
	522.0	514.6	553.7
Other current assets (excluding income taxes)	62.4	81.2	81.8
Properties and equipment, net	770.5	829.9	833.5
Goodwill	196.7	457.5	452.9
Technology and other intangible assets, net	82.7	315.5	288.0
Investment in unconsolidated affiliate	85.5	96.2	113.1
Other assets (excluding capitalized financing fees)	24.5	40.0	23.0
Other current liabilities (excluding income taxes, environmental remediation related to asbestos and divested businesses, Chapter 11, restructuring, and accrued interest)	(251.9)	(248.0)	(256.7)
Other liabilities (excluding environmental remediation related to asbestos and divested businesses)	(55.5)	(72.7)	(81.8)
Total invested capital	1,436.9	2,014.2	2,007.5
Adjusted EBIT Return On Invested Capital	38.8%	27.3%	31.2%

Appendix: Reconciliations of Non-GAAP Financial Measures (continued)

(In millions, except per share amounts)

Diluted Earnings Per Share (GAAP)

Three Months Ended December 31,							
2014				2013			
Pre-Tax	Tax Effect	After-Tax	Per Share	Pre-Tax	Tax Effect	After-Tax	Per Share
\$	0.2	\$	0.2	\$	5.4	\$	2.3
Costs related to Chapter 11	—	—	—	3.1	2.3	0.03	0.03
Asbestos-related costs	4.1	1.5	2.6	0.03	3.8	1.9	0.02
Asbestos and bankruptcy-related charges, net	0.3	0.1	0.2	—	21.9	8.2	0.18
Default interest settlement	—	—	—	129.0	48.3	80.7	1.03
Pension MTM adjustment and other related costs, net	133.1	48.7	84.4	1.13	(53.1)	(21.5)	(0.40)
Gain on termination of postretirement plans related to divested businesses	(3.2)	(1.1)	(2.1)	(0.03)	—	—	—
Restructuring expenses and asset impairments	4.6	1.2	3.4	0.05	3.8	1.0	0.04
Income and expense items related to divested businesses	(1.6)	(0.6)	(1.0)	(0.01)	1.4	0.5	0.01
Discrete tax items:							
Release of valuation allowances	—	—	—	24.4	(24.4)	(0.31)	(0.31)
Discrete tax items, including adjustments to uncertain tax positions	1.1	(1.1)	(0.01)	(8.4)	8.4	0.11	0.11

Adjusted EPS (non-GAAP)

Certain items included in Adjusted EPS:

Gain on termination of postretirement plans related to current businesses	\$	(0.04)	\$	—
Differential between effective tax rate and cash tax rate		0.40		0.34
Total	\$	0.36	\$	0.34

(In millions, except per share amounts)

Diluted Earnings Per Share (GAAP)

Twelve Months Ended December 31,							
2014				2013			
Pre-Tax	Tax Effect	After-Tax	Per Share	Pre-Tax	Tax Effect	After-Tax	Per Share
\$	11.3	\$	9.1	\$	16.4	\$	10.4
Costs related to Chapter 11	—	—	—	6.0	10.4	0.13	0.13
Asbestos-related costs	7.9	2.9	5.0	0.07	7.8	3.0	0.06
Asbestos and bankruptcy-related charges, net	7.1	2.6	4.5	0.06	21.9	8.2	0.18
Default interest settlement	—	—	—	129.0	48.3	80.7	1.04
Pension MTM adjustment and other related costs, net	128.3	46.9	81.4	1.07	(50.6)	(20.0)	(0.39)
Gain on termination of postretirement plans related to divested businesses	(15.9)	(5.9)	(10.0)	(0.13)	—	—	—
Restructuring expenses and asset impairments	22.4	7.6	14.8	0.19	12.5	3.5	0.12
Currency and other financial losses in Venezuela	1.0	0.3	0.7	0.01	6.9	—	0.09
Gain (loss) on sale of product line	(0.2)	(0.1)	(0.1)	—	1.0	0.4	0.01
Income and expense items related to divested businesses	5.2	1.9	3.3	0.04	4.1	1.4	0.04
Discrete tax items:							
Release of valuation allowances	—	—	—	24.4	(24.4)	(0.31)	(0.31)
Discrete tax items, including adjustments to uncertain tax positions	48.2	(48.2)	(0.63)	(9.4)	9.4	0.12	0.12

Adjusted EPS (non-GAAP)

Certain items included in Adjusted EPS:

Interest accretion on deferred payment obligations	\$	0.58	\$	—
Gain on termination of postretirement plans related to current businesses		(0.21)		—
Differential between effective tax rate and cash tax rate		1.87		1.35
Total	\$	2.24	\$	1.35